

Message Text

PAGE 01 TEHRAN 03476 01 OF 02 160948Z

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ACTION EB-07

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FM AMEMBASSY TEHRAN
TO SECSTATE WASHDC 1089
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FAA BRUSSELS
AMCONSUL KARACHI
AMEMBASSY LONDON
AMEMBASSY PARIS
AMEMBASSY TEL AVIV

LIMITED OFFICIAL USE SECTION 1 OF 2 TEHRAN 3476

DEPT PASS COMMERCE FOR COHEN AND HALE, EXIMBANK FOR YOUNG
AND BEEDE;

BEIRUT FOR RCCA

E.O. 11652: N/A
TAGS: EFIN, EAIR, IR
SUBJECT: IRAN AIR STATUS AND FLEET AND ROUTE EXPANSION

REF: BEIRUT 0879

1. SUMMARY: RCAA AND EMBASSY CIVAIR OFFICER PAID SERIES OF
CALLS APRIL 7-9 ON IRAN AIR OFFICIALS, INCLUDING LT GEN ALI
M. KHADEMI, MANAGING DIRECTOR: MR. HOOSHANG TAJADOD, DEPUTY
MANAGING DIRECTOR CORPORATE PLANNING; MR. ABBAS MIRRAHIDI,
DIRECTOR PLANNING, ECONOMIC ANALYSIS AND STATISTICS; AND ON APR 14,
MR. R.A. ROBERTS, DEPUTY MANAGING DIRECTOR ENGINEERING AND
MAINTENANCE. IRAN AIR DUE TO SIGN FINAL SALES CONTRACT APRIL 23
FOR TWO BOEING 747-286B'S VALUED AT \$90 MILLION INCLUDING SPARES,
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PAGE 02 TEHRAN 03476 01 OF 02 160948Z

PUSHING U.S. TRANSPORT AIRCRAFT SALES FOR AREA TO \$487 MILLION
1975 TO DATE. AIRLINE ATTAINED NET PROFIT \$13.5 MILLION
(US) FISCAL YEAR ENDED MARCH 21, 1974, SETTING NEW RECORD AND
CONTINUING AIRLINE'S UNBROKEN RECORD OF PROFITABILITY SINCE

INITIAL OPERATIONS 1962. FINAL SALES CONTRACT TWO CONCORDES PROBABLY TO BE SIGNED THIS SPRING. END SUMMARY.

2. ABOUT FEBRUARY 15TH, IRAN AIR SIGNE LETTER OF INTENT WITH THE BOEING COMPANY FOR TWO 747-286B AIRCRAFT, POWERED BY UP-RATED JT9D-7F ENGINES (48,000 POUNDS THRUST DRY, 50,000 POUNDS THRUST WET) WITH MAXIMUM GROSS TAKEOFF WEIGHT 800,00 POUNDS AND WQUIPPED WITH SIED MAINDECK CARGO DOORS. AIRCRAFT WILL BE CARGO/PASSENGER MIXED CONFIGURATION, 281 SEATS (NOT INCLUDING UPPER DECK WHICH COULD SEAT 32 FOR HAJ) AND SIX 8'X8'X10' CARGO CONTAINERS REAR CABIN.

3. VALUE SALE APPROXIMATELY \$90 MILLION INCLUDING SPARES, WITH DELIVERY DATES OCTOBER 1976, MAY 1977. AIRLINE AND BOEING SEEKING FAA PERMISSION CONFIGURE UPPER-DECK LOUNGE FOR 32 SALABLE SEATS BY PROVIDING ADDITIONAL EXIT DOOR TO PERMIT MEETING FAA EBACUATION STANDARDS. FINAL SALES CONTRACT FOR THE TWO AIRCRAFT DUE FOR SIGNATURE ON APRIL 23, TEHRAN, WITH DETAILED CONFIGURATION SPECIFICATIONS NOW IN PROCESS BEGOTIATION BETWEEN BOEING CONTRACT TEAM AND R.A. ROBERTS.

4. AS REPORTED PREVIOUSLY BY EMBASSY TEHRAN, IRAN AIR ALSO SIGNE SALES CONTRACT ABOUT FEBRUARY 15TH FOR ONE USED BOEING 707-321B AND ONE USED 707-321C FROM PANAM VALUED AT APPROXIMATELY \$12 MILLION. 707-321C DELIVERED IRAN AIR APRIL 1 AND PRESENTLY IN SCHEDULED SERVICE. 707-321C HAS RECEIVED MODIFICATIONS BEDEK DIVISION ISRAEL AIRCRAFT INDUSTRIES, TEL AVIV AND DELIVERED TEHRAN APRIL 10. RIAN AIR ALSO ENTERED INTO DRY-LEASE ADDITIONAL USED 707-321C FROM PANAM FOR PERIOD MAY 15,1975 THROUGH MAY 14,1976 BTO BE DEPLOYED ON TWICE-WEEKLY ROUNDTrip ALL-CARGO SERVICES TEHRAN-LONDON-NEW YORK.

5. BEYND 1976, AIRLINE CONTEMPLATING INTRODUCTION LARGER AIRCRAFT FOR HIGH-DENSITY DOMESTIC SERVICES WITH INDICATIONS THIS WILL BE SALES CONFRONTATION BETWEEN AIRBUS INDUSTRIE'S A-300B2 VERUS BOEING'S FORTHCOMING 727-300B, WITH IN-SERVICE DATES BEGINNING LATE 1977 OR 78. ROBERTS ESTIMATES THIS RELIMITED OFFICIAL USE
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PAGE 03 TEHRAN 03476 01 OF 02 160948Z

QUIREMENT AT FIVE AIRCRAFT BY SPRING 1980.

6. ALTHOUGH GEN KHADEMI INDICATES DETAILS NOT YET FINALIZED, IRAN AIR PORBALYT SIGNING FIRM CONTRACT TWO BAS-AEROSPATIALE CONCORDES THIS SPRING FOR DELIVERY SPRING 1978 TO BE DEPLOYED TEHRAN-LONDON-NEW YORK, AND LATER, TEHRAN-PEKING-TOKOY. AIRCRAFT WILL BE CONFIGURED 101 59 108 SINGLE-CLASS SEATS AND KHADEMI ADMITSFUEL BURN-OFF, ECONOMICS, AND VIABILITY HIGHLY QUESTIONABLE, BUT AIRCRAFT TECHNICALLY SOUND. AIRLINE APPEARS UNENTHUSED PROSPECT DEPLOYMENT CONCORDES; BUT SHAH, MOTIVATED BY PRESTIGE AND POLITICAL FACTORS, FAVORS IRAN AIR DEPLOYMENT OF CONCORDES.

7. FINANCIAL RESULTS: FOR FISCAL YEAR ENDED MARCH 21,1974, IRAN AIR ACHIEVED RECORD BOTTOM-LINE NET PROFIT \$13,509,000. FOR FISCAL YEAR ENDED MARCH 21,1975, GENERAL KHADEMI ANTICIPATES ANOTHER RECORD NET PROFIT: APPROXIMATELY \$14 TO \$15 .8))-LION (US) OR BETTER. AIRLINE HAS ESTABLISHED CONSISTENT AND UNBROKEN RECORD BOTTOM-LINE PROFITABILITY SINCE INITIAL OPERATIONS FEB 24, 1962.

8. TRAFFIC RESULTS: FOR FISCAL YEAR 1974 IRAN AIR'S OPERATING STATISTICS SHOW OVERALL TRAFFIC UP 30.3 PERCENT AND CAPACITY UP AT LESSER REATE OF 24.7 PERCENT OVER FISCAL YEAR 1973, THUS INCREASING LOAD FACTOR BY TWO POINTS. DETAILED TRAFFIC DATA FOLLOWS:

1974	1973	1972	FY 1974 OVER FY 1973
(000)	(000)	(000)	PERCENTAGE INCREASE

REVENUE TON-
KILOMETERS 133,961 102,831 85,627 PLUS 30.3 PERCENT

AVAILABLE TON-
KILOMETERS 262,780 210,715 194,383 PLUS 24.7 PERCENT

REVENUE LOAD
FACTOR 51 PERCENT 49PERCENT 44PERCENT PLUS 2 POINTS

TOTAL NUMBER OF
EMPLOYEES 4,309 3,996 3,925

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PAGE 04 TEHRAN 03476 01 OF 02 160948Z

9. CALENDAR YEAR 1974 VERSUS CALENDAR YEAR 1973 SHOWS INTERNATIONAL REVENUE-TON KILOMETERS UP 35 PERCENT, DOMESTIC REVENUE-TON KILOMETERS UP 12 PERCENT,AND OVERALL SYSTEM REVENUE-TON KILOMETERS UP 24 PERCENT.

10. FLEET ADDITIONS: IRANS AIR'S AIRCRAFT ON ORDER, CONFIGURATION, AND DELIVERY DATES:
THREE BOEING 747-SP (SPECIAL PERFORMANCE), CONFIGURED AT NORMAL 281 SEATS (24 FIRST-CLASS AND 257 ECONOMY) TO BE DELIVERED MARCH 1976, MAY 1976 AND MAY 1977.
TWO BOEING 747-286B, CONFIGURED AT NORMAL 281 SEATS (24 FIRST-CLASS AND 257 ECONOMY) PLUS PROVISION FOR SIX REAR-CABIN 8'X8'X10' CARGO CONTAINERS, FOR DELIVERY OCTOBER 1976, MAY 1977.
ONE BOEING ADVANCED 727-286, CONFIGURED AT 148 SEATS (10 FIRST-CLASS PLUS 138 ECONOMY) TO BE DELIVERED MAY 1975 (TO COMPLETE FLEET OF FIVE ADVANCED 724-286).

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PAGE 01 TEHRAN 03476 02 OF 02 161023Z

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DEPT PASS COMMERCE FOR COHEN AND HALE, EXIMBANK FOR YOUNG AND
BEEDE;

BEIRUT FOR RCAA

11. PRESENT FLEET INVENTORY:

THREE BOEING 707-386C, CONFIGURATION 146 SEATS (14 FIRST-
CLASS PLUS 132 ECONOMY).

ONE BOEING 707-321B, CONFIGURATION 146 SEATS (14 FIRST-
CLASS PLUS 132 ECONOMY).

ONE BOEING 707-321C, CONFIGURATION 146 SEATS (14 FIRST-
CLASS PLUS 132 ECONOMY).

TWO BOEING ADVANCED 734-286 ADN TWO ADVANCED 737-286C, CON-
FIGURATION 108 SEATS (8 FIRST-CLASS PLUS 100 ECONOMY).

FOUR BOEING 724-186 AIRCRAFT, CONFIGURATION 108

3-5 (8

FIRST-CLASS PLUS 100 ECONOMY).

FOUR BOEING ADVANCED 727-286, CONFIGURATION 148 SEATS (10
FIRST-CLASS PLUS 138 ECONOMY).

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PAGE 02 TEHRAN 03476 02 OF 02 161023Z

12. SUMMARY OF IRAN AIR FLEET DEPLOYMENT SUMMER SEASON 1975.(MAY
15 THROUGH OCTOBER 31):

BOEING 707-386B/321C: SIX AIRCRAFT IN SERVICE; SEVEN

ROUNDTrips WEEKLY TEHRAN-LONDON-NEW YORK; TWO ROUNDTrips

WEEKLY TEHRAN-PEKING-TOKYO; FIFTEEN ROUNDTrips WEEKLY TEHRAN-WESTERN

EUROP/MOSCOW.

BOEING ADVANCED 723-286; FIVE AIRCRAFT IN SERVICE; FOUR
ROUNDTRIPS WEEKLY TEHRAN-WESTERN EUROPE; TWENTY-FIVE ROUNDTRIPS
WEEKLY TEHRAN-GULF/KUWAIT/SAUDI ARABIA; TWO ROUNDS WEEKLY
TEHRAN-KARACHI-BOMBAY; FIFTY ROUNDTRIPS WEEKLY TEHRAN-DOMESTIC
POINTS.

BOEING 727-186; FOUR AIRCRAFT IN SERVICE; SEVEN ROUNDTRIPS
WEEKLY TEHRAN-WESTERN EUROPE/MOSCOW; FOUR ROUNDTRIPS WEEKLY,
IRAN-GULF/KUWAIT/SAUDI ARABIA; FIVE ROUNDTRIPS WEEKLY TEHRAN
-BEIRUT (SUBJECT GOVERNMENT APPROVAL)/KABUL; THIRTY-
FOUR ROUNDTRIPS WEEKLY TEHRAN-DOMESTIC POINTS.

BOEING ADVANCED 727-286; FOUR AIRCRAFT IN SERVICE; TWO
ROUNDTRIPS WEEKLY, ABADAN-KUWAIT; ONE ROUNDTRIP WEEKLY TEHRAN-
BAGDAD; SIXTY-THREE ROUNDTRIPS WEEKLY TEHRAN-DOMESTIC POINTS.
FOKKER-VFW F-27'S: TWO AIRCRAFT (LEASED FROM IIAF) IN
SERVICE; SIX ROUNDTRIPS WEEKLY TEHRAN-DOMESTIC POINTS (TEHRAN-
HAMADAN, TEHRAN-SANANDAJ).

13. SUMMARY IRAN AIR SUMMER SEASON 1975 SCHEDULE PATTERN:
THIRTY-FIVE INTERNATIONAL ROUNDTRIP SCHEDULES WEEKLY, INCLUD-
ING SEVEN TEHRAN-NORTH AMERICA; TWO TEHRAN-FAR EAST; TWENTY-SIX
TEHRAN-WESTERN EUROPE/MOSCOW.
THIRTY-NINE REGIONAL ROUNDTRIP SERVICES WEEKLY, INCLUDING
THIRTY-ONE IRAN-GULF/KUWAIT/SAUDI ARABIA; SIX TEHRAN-LEBANON/
IRAQ/AFGHANISTAN; TWO TEHRAN-PAKISTAN-INDIA.
ONE HUNDRED FIFTY-THREE ROUNDTRIP SCHEDULES WEEKLY TEHRAN-
IRANIAN DOMESTIC POINTS.

14. WITH REGARD TO THE BOEING 707-321B AND 707-321C RECENTLY
ORDERED FROM PANAM, BOTH WILL BE INITIALLY OPERATED INPASSEN-
GER SERVICES, WITH 707-321B SCHEDULED TO BE CONVERTED TO
WIDEBODIED/LOOK INTERIOR JANUARY 1976. THE 707-321C WILL BE
CONVERTED TO ALL-CARGO CONFIGURATION MAY 1976, REPLACING THE
707-321C LEASED FROM PANAM FOR TWELVE MONTH PERIOD MAY 15,
1975-MAY 14, 1976, FOR TEHRAN-LONDON-NEW YORK TWICE-WEEKLY
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PAGE 03 TEHRAN 03476 02 OF 02 161023Z

ROUNDTRIP ALL-CARGO SERVICES.

15. IRAN AIR'S THREE 747 SP'S AND TWO 747-286B'S WHEN
RECEIVED, WILL BE DEPLOYED TEHRAN-LONDON-NEW YORK AND TEHRAN-
LONDON/WESTERN EUROPE TURNAROUND, YIELDING AVERAGE DAILY UTILI-
ZATION PER AIRCRAFT 10.5 HOURS. EVENTUALLY THE BOEING 747 SP/286B
FLEET MAY ALSO BE DEPLOYED TEHRAN-PEKING-TOKYO.

16. GENERAL KHADEMI INDICATED THAT, AT LEAST INITIALLY, BOEING
747 SP'S WILL NOT OPERATE NON-STOP EASTBOUND NEW YORK-TEHRAN DUE
TRAFFIC SUPPORT REQUIREMENTS LONDON. HE FURTHER INDICATED IRAN
AIR TEHRAN-LONDON-LOS ANGELES SCHEDULED SERVICES PROBABLY WOULD
NOT BE INAUGURATED UNTIL AFTER 1977.

17. DOMESTIC SERVICES: IRAN AIR SERVICES NINETEEN DOMESTIC POINTS WITHIN IRAN, SEVENTEEN OF WHICH RECEIVE JET SERVICES. PRINCIPAL DOMESTIC CITY-PAIRS INCLUDE THE FOLLOWING: TEHRAN-SHIRAZ, THIRTY-FOUR ROUNDTRIPS WEEKLY; TEHRAN-ISFAHAN, THIRTY-THREE ROUNDTRIPS WEEKLY; TEHRAN-ABADAN, TWENTY-FOUR ROUNDTRIPS WEEKLY; TEHRAN-MASHAD, TWENTY-FOUR ROUNDTRIPS WEEKLY; TEHRAN-AHWAZ, SIXTEEN ROUNDTRIPS WEEKLY; TEHRAN-TABRIZ, FOURTEEN ROUNDTRIPS WEEKLY; TEHRAN-BANDAR ABBAS, THIRTEEN ROUNDTRIPS WEEKLY. THE ONLY TWO DOMESTIC POINTS SERVED BY NON-JET AIRCRAFT ARE HAMADAN AND SANANDAJ. BOTH OF THESE POINTS WILL RECEIVE EITHER NEW OR UPGRADED AIRPORTS WHICH WILL PERMIT REPLACEMENT OF THE TWO TURBOPROP F-27'S, PRESENTLY ON LEASE FROM IIAF, BY BOEING ADVANCED 737-286'S.

18. WITH IMPENDING SALE TWO BOEING 747-286B'S TO IRAN AIR, U.S. TRANSPORT AIRCRAFT SALES TO AIRLINES IN THIS REGION TOTAL \$487 MILLION 1975 TO DATE INCLUDING FOLLOWING CUSTOMERS: EGYPTAIR, EL AL, IRAQI, IRAN AIR, PIA. US JET TRANSPORT SALES TO IRAN AIR FOR PERIOD COMMENCING JANUARY 1. 1965 THROUGH APRIL 1975 WILL TOTAL APPROXIMATELY \$333 MILLION.
HELMS

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